GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2217
ANSWERED ON:29.07.2016
Institution Loan to Weaker Sections
Lokhande Shri Sadashiv Kisan

Will the Minister of FINANCE be pleased to state:

(a)whether non-availability of institutionalized loan to the weaker sections of the society is the major reason for poverty;
(b)if so, the details of loans provided through small loan system to the weaker sections of the country during the last three years;
(c)whether the Government has taken/ proposes to take any steps to ensure transparency in the said process;
(d)if so, the details thereof; and
(e)if not, the steps taken to provide alternative banking facilities to weaker sections of the country?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE)

(a) to (e): As reported by RBI, Loans to Weaker Sections under Priority Sector for the last three years are given as under:
Amount in Rs Crore

2014	2015	2016
Amt outstanding	Amt outstanding	Amt outstanding
493969	567129	686528

Reserve Bank of India (RBI) has issued Master Direction dated 07.07.2016 and two Master Circulars dated 01.07.2016 relating to Priority Sector Lending (PSL) and credit flow to Weaker Sections. These prescribe the following:

i) A target of 40 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off Balance-sheet Exposures (OBE), whichever is higher, as on March 31 of the previous year, for lending to the priority sector by Scheduled Commercial Banks (SCBs) including Public Sector Bank (PSBs). Within this, a sub-target of 10 per cent of ANBC or Credit Equivalent amount of Off Balance-sheet Exposures (OBE), whichever is higher, as on March 31 of the previous year, has been set for lending to Weaker Sections. This includes among others small & marginal farmers, Scheduled Castes (SCs) & Scheduled Tribes (STs), Self Help Groups, Individual women beneficiaries up to Rs.1 lakh per borrower and Minority communities.

ii) Small & Marginal Farmers:

A target of 18 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, has been set for Agriculture. Within the 18 percent target for agriculture, a target of 8 percent of ANBC or OBE , whichever is higher is prescribed for Small and Marginal Farmers, to be achieved in a phased manner i.e., 7 per cent by March 2016 and 8 per cent by March 2017.

iii) SCs/STs:

â€¢ At the block level a certain weightage is to be given to scheduled castes / scheduled tribes in the planning process.

â€¢ Credit planning should be weighted in favour of SCs/STs. Loan proposals of these communities should be considered sympathetically and expeditiously.

â€¢ While "adopting" villages for intensive lending, villages with sizeable population of these communities may be specially chosen.
â€¢ Banks should not insist on deposits while considering loan applications under Government sponsored poverty alleviation schemes / self-employment programmes from borrowers belonging to SCs / STs.
â€¢ If applications in respect of SCs / STs are to be rejected, it should be done at the next higher level instead of at the branch level. Further, reasons for rejection of applications should be clearly indicated.

iv) Minority Communities:

Government of India has forwarded a list of 121 minority concentration districts having at least 25% minority population. Accordingly, scheduled commercial banks are required to specially monitor the credit flow to minorities in these 121 districts, thereby ensuring that

the minority communities receive a fair and equitable portion of the credit within overall target of the priority sector.

Further, under the Prime Minister's 15 point programme, the Public Sector Banks were advised by the Government to step up their Minority Community Lending (MCL) to 15% of their Priority Sector Lending (PSL).
With a view to 'Fund the Unfunded' segment of society and to bring them under formal credit system through Banks, NBFCs, Pradhan Mantri Mudra Yojana (PMMY) was launched on 08 April 2015. PMMY focus micro enterprises loans upto Rs. 50,000/- under `Shishu' category, loans from Rs. 50,001 to Rs. 5 lakhs under `Kishore' category and loans from Rs. 5 lakhs to Rs. 10 lakhs under `Tarun' category.

Category wise progress under PMMY as given below:

I. Since inception to 31.03.2016

Category No. of A/C Sanctioned Amt in Crore Disbursed Amt. in Crore
SC 6114737 14975 14692
ST 1678346 4878 4742
Women entrepreneurs 27628265 82183 63190
Minority 4088210 14018 13560
Total 39509558 116054 96184

II. From 01.04.2016 to 15.07.2016
Category No. of A/C Sanctioned Amt in Crore Disbursed Amt. in Crore
SC 1480400 3408 3205
ST 376850 949 917
Women entrepreneurs 6137223 13989 13648
Minority 1053701 3238 3003
Total 9048174 21584 20773

To ensure effective implementation, credit flow to the weaker sections is being monitored by the Government/RBI.

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